

**MBA in DM Sem.-3 Examination**  
**Corporate Taxation & Financial Planning**

Time : 2.30 Hours]

December-2025

[Max.Marks : 70

- Q.1 Income-tax Act arrays a number of benefits arising from employment which are in the nature of monetary and non-monetary income that are assessed as a salary income. Explain briefly the types of these benefits and conditions under which they are taxed as salary income. 14

- Q.2 (a) Define clearly the terms "business", "profession" and "vocation". 7  
(b) X owns the following assets on April 1, 2024: 7

Assets	Written down value on April, 2024 (Rs)	Rate of Depreciation (%)
Furniture	20170	10
Building	9,00,500	10
Plant and machinery	2,10,000	20
Plant and machinery	64,00,000	15
Plant and machinery	2,05,000	40

During the previous year 2024-25, the following assets are purchased by X :

Date of Purchase	Date when the asset is put to use	Asset	Cost(Rs.)	Rate of Depreciation
June 20, 2024	June 22, 2024	Plant (Second hand)	1,90,000	40
November 30, 2024	December 1, 2024	Foreign made office machinery	1,40,000	15
December 6, 2024	December 10, 2024	Books for professional use	2,700	40

Determine the amount of depreciation for the assessment year 2025-26.

OR

- Q.2 From the Profit and Loss Account of X (age 31 years, resident) for the year ending March 31, 2025, ascertain his total business income. 14

General Expenses	13,400	Gross Profit	14,15,500
Bad Debts	22,000	Commission	8,600
Advance tax	2,000	Brokerage	37,000
Insurance	600	Sundry receipts	2,500
Salary to staff	26,000	Bad debts recovered	
Salary to X	51,000		11,000

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Interest on overdraft	4,000	(earlier not allowed as deduction)	
Int. on loan to Mrs. X	42,000		
Int. on capital of X	23,000	Int. on debenture	25,000
Depreciation	48,000	Int. on deposit with a Co.(non-trade)	13,000
Advertisement expenditure	7,000		
Contribution to employees recognized provident fund	13,000		
Net profit	12,60,600		
Total	15,12,600		15,12,600

Other information

1. The amount of depreciation allowable is Rs. 37,300 As per the Income tax rule. It includes depreciation on permanent signboard.
2. Advertisement expenditure includes Rs. 3,000 being cost of permanent signboard fixed on office premises.
3. General expenses include (a) Rs 500 given to Mrs X for arranging a party In owner of a friend (b)Rs. 1000 being in contribution to political party.
4. Income of Rs. 4,500 accrued during the previous year is not recorded in the profit and loss account.

Q.3

X and Y give the following information-		
Residential house property Situated at Delhi	X(Rs.)	Y(Rs.)
Date Of transfer	July 10 2023	September 19 2023
Date of purchase	October 6 <sup>th</sup> 2004	April 10 2003
Sale consideration	13,00,000	14,50,000
Stamp duty value	15,00,000	17,50,000
Cost of acquisition	1,77,865	3,75,000
Expenses on transfer	10,000	6,000
To get the exemption under section 54 for the following residential house properties Are purchased by X and Y at Noida-		
Date of purchase	December 20 2023	July 1 2023
cost of acquisition	12,00,000	16,00,000
X and Y transfer their house property at Noida as follows		
Sale consideration	20,00,000	16,85,000
Stamp duty value	23,20,000	16,10,000
Date of transfer	December 25 2025	May 20 2025

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Find out the capital gain chargeable to tax in the hands of X and Y for different assessment years-

(CII PY2025-26=378, PY 2024-25=363, PY 2023-24 =348, PY2004-05=113, PY2003-04=109)

OR

Q.3

What is capital gain? What are the kinds of capital gains and what is the procedure of computation of capital gain?

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Q.4

Explain the concept of tax planning. How is it different from tax evasion and tax avoidance? Also describe the basic principles of effective tax planning for a business.

14

OR

Q.4

Particulars	Case 1	Case 2
1. No. of Partners	2	5
2. Profit-sharing ratio	Equal	Equal

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3. Total Capital Contributed (each partner contributing equally)	₹8,00,000	₹25,00,000
4. Profit of the firm (Current Year)	₹5,00,000	₹45,00,000
5. Other income of each of partner	₹1,20,000	₹1,80,000
6. Life insurance premium paid by each partner	₹1,20,000	₹2,00,000
	Salary per partner = ₹10,500/month	Salary per partner = ₹31,500/month

Interest on capital -12%

Tax rate for firm -30%

Based on the above data, answer the following questions:

1. Calculate total tax liability of the firm under all three cases.
2. Compute the tax payable by each partner individually.
3. Compute tax liability if the same income is taxed as a sole proprietor.
4. Should the partnership be converted into a sole proprietorship? Give reasons.
5. Comment on why taxes are generally lower under sole proprietorship.

Q.5

1. X is resident and ordinarily resident in India for the assessment year 2025-26 he gives the following information in respect of his income for the previous year 2024-25.

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1. Capital gain on sale of house situated in Pune sell consideration in Nepal.....10,00,000
2. Salary received in Sri Lanka for rendering services in Tamil Nadu salary (after standard deduction being rupees 1,60,000) .....1,60,000
3. Interest received from Govt of India (it is paid to him in Sri Lanka and the money is utilized by the government outside India) .....2,56,000
4. Royalty received from A Ltd. (a foreign company which is non-resident in India) Outside India (Royalty is paid for a manufacturing business situated outside India).....92,00,000

Find out the Residential status and taxable income of X for the assessment year 2025-26.

2. Find out capital gain chargeable to tax in the following cases-

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	House	Silver	Diamond
Date of acquisition	May 20, 1989	March 10, 1999	May 1, 2023
Date of transfer	April 29, 2023	June 10, 2023	August 12, 2023
	Rs.	Rs.	Rs.
Sale consideration	14,00,000	8,00,000	8,10,000
Stamp duty value	16,50,000	-	-

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Cost of acquisition	95,000	58,000	70,000
Fair market value on April 1 2001	90,000	60000	84,000
Cost of construction of first floor in 1999-00	18,000	-	-
Cost of construction of second floor in 2014-15	40,000	-	-

Total income of Age 56 is 7,26,500. Compute his tax liability for the assessment year 2025-26. Assume R:

- (a) Does not opt to be text under section 115BAC  
(b) opts to be text under section 115 BAC

Multiple choice question

1. When income of minor child is clubbed in the income of a parent concerned such parent will be allowed exemption of- 2
- a) 1500
  - b) 1500 Per minor child
  - c) To the extent of actual income Clubbed Or 1500 per minor child whichever is less
  - d) No exemption
2. X Ltd is a public limited company it gets a dividend of 50,00,000 From its subsidiary company on July 1 2000 and 24 it declares dividend of rs 60 lakh to its own shareholder on June 30 2000 and 24 In the hands of X Ltd tax is applicable on 2
- a) 60 lakh
  - b) 10 lakh
  - c) 50 lakh
  - d) nil